

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS TO  
KEYSPAN ENERGY DELIVERY NEW ENGLAND**

D.T.E. 05-54

Respondent: Marygrace Cerce  
Dated: October 4, 2005

Information Request DTE 1-2

Q. Please recalculate pre-tax and after-tax incentives for Program Year 3 using a 4.25 percent rate.

A.

<b>Program Year 3 Earned Shareholder Incentive With Calculation Using 4.25% Interest Rate</b>		
<b>Metric</b>	<b>Shareholder Incentive After-Tax Amount</b>	<b>Shareholder Pre-Tax Incentive Amount</b>
Performance	\$208,114	\$341,869
Savings	\$179,229	\$294,905
Value A (Cost Per Lifetime Therm	\$54,658	\$89,935
Value B (Benefit Cost Ratio)	\$55,239	\$90,891
RCS	\$33,844	\$55,688
	<b>\$531,084</b>	<b>\$873,288</b>